### **News Release Archive**

1999

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### News Release

Release No.: 63-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Releases FY 1999 Annual Report**

WASHINGTON, DC (December 2, 1999) -- The USDA Grain Inspection, Packers and Stockyards Administration today released its annual report for fiscal year 1999. The report summarizes the Agency's organizational structure and functions, program activities and accomplishments, management initiatives, and financial status for fiscal year 1999.

The report is available for downloading and browsing from GIPSA's web site www.gipsa.usda.gov; limited amounts of hard copies also are available.

Information contact: Dana Stewart, GIPSA Public Affairs, 202-720-5091.

Dana Stewart (202) 720-5091 dstewart@gipsadc.usda.gov



# News Release

Release No.: 08-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **GIPSA Amends Rice Inspection Fees**

WASHINGTON, DC (February 12, 1999)--The USDA Grain Inspection, Packers and Stockyards Administration today announced a 3.6 percent increase in certain fees for Federal rice inspection services performed under the Agricultural Marketing Act (AMA) of 1946. The fee increase becomes effective on March 1, 1999.

GIPSA is required by the AMA to recover its costs for providing rice inspection services by establishing reasonable fees to cover their estimated costs. According to GIPSA administrator James R. Baker, the increase is intended to cover, as nearly as practicable, the operational costs associated with 3.6 percent cost-of-living increases to Federal salaries.

The increase affects only that portion of the fees associated with the hourly salaries paid to Federal employees; overhead costs are not included in the increase.

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### News Release

Release No.: 13-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Releases Revised Moisture Calibrations for Corn and Soybeans**

Washington, DC (February 19, 1999)--The USDA Grain Inspection, Packers and Stockyards Administration today released revised moisture meter calibrations for corn, high moisture corn, and soybeans for the GAC 2100, the official grain moisture meter. The changes, which respond to moisture measurement differences that were observed in the field under certain testing conditions, improve moisture measurement accuracy for corn and soybeans at extreme temperatures.

The revised calibrations change moisture results by less than 0.1 percent moisture, on the average, for samples that are tested at normal room temperatures. The revised corn, high moisture corn, and soybean calibrations will be used for all official moisture determinations on and after February 22, 1999. These calibrations have been incorporated in a revised National Type Evaluation Program Certificate of Conformance, which also is effective February 22, 1999.

Even with these calibration changes, GIPSA recommends warming grain in a sealed container to near room temperature prior to moisture measurement for best accuracy, since extreme sample temperatures influence results for all grain moisture meters.

This release is available electronically on GIPSA's web site at: www.gipsa.usda.gov. Technical contact: Jim Rampton, 816-891-0450.

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### News Release

Release No.: 16-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA's Export Grain Quality Report Available**

WASHINGTON, D.C. (March 11, 1999)--The USDA Grain Inspection, Packers and Stockyards Administration (GIPSA) today released its latest report on the quality of U.S. grain exports.

Published annually, GIPSA's "1998 U.S. Grain Exports: Quality Report" summarizes the quality of export wheat, corn, soybeans, sorghum, barley, sunflower seeds, oats, and canola. It is based on data collected during the official inspection of export grain shipments in calendar year 1998.

The report is available on GIPSA's webpage at www.gipsa.usda.gov.

Limited numbers of hard copies are available from Dana Stewart.

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### News Release

Release No.: 20-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Official Designation Activities**

WASHINGTON, D.C. (April 1, 1999)--USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) has announced the following action on designations to officially inspect and weigh grain in specified geographic areas in Illinois, Iowa, Missouri, Nebraska, North Dakota, South Dakota, and South Carolina.

- Central Illinois Grain Inspection, Inc., is designated to inspect grain effective June 1,1999, through March 31, 2002. For official grain inspection and weighing services, contact Central Illinois at 309-827-7121.
- The designation of Hastings Grain Inspection, Inc., ends October 31, 1999; the designations of Aberdeen Grain Inspection, Inc., and Missouri Department of Agriculture end November 30, 1999; the designations of Decatur Grain Inspection, Inc., Grand Forks Grain Inspection Department, Inc., John R. McCrea Agency, Inc., and South Carolina Department of Agriculture end December 31, 1999. GIPSA will grant new designations to officially inspect grain at the end of these designations. Any interested party, including the agencies listed above, may apply for the new designation. Applications are due by April 30, 1999. GIPSA is also asking for comments on the services provided by these currently designated agencies. Comments are due by May 31, 1999. For further information on this designation action, contact Jim Williams at 202-720-9804 or FAX 202-690-2755.

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### News Release

Release No.: 25-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Grain Advisory Committee to Meet**

WASHINGTON, April 13, 1999--The USDA Grain Inspection, Packers and Stockyards Administration=s Grain Inspection Advisory Committee will meet on May 11-12, 1999, at the Hilton Kansas City Airport, Kansas City, Mo.

The Committee is charged with providing advice to the Administrator of GIPSA regarding implementation of the U.S. Grain Standards Act.

The agenda includes a tour of the Agency=s Technical Center and sessions on GIPSA=s financial status, moisture meter implementation plan, grain elevator safety, future inspection service needs, reauthorization, and other issues related to the delivery of grain inspection and weighing services to American agriculture.

Public participation will be limited to written statements, unless permission is received from the Committee Chairman to orally address the Committee. Persons, other than members, who wish to address the Committee or submit written statements before or after the meeting, should contact the Administrator of GIPSA.

The meeting will be open to the public. Persons with disabilities who require alternative means of communication of program information or related accommodation should contact GIPSA.

Information contact: Marianne Plaus, Office of the Deputy Administrator, (202) 690-3460.

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### News Release

Release No.: 23-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### GIPSA To Offer Corn Oil, Protein, and Starch Testing Using NIRS

WASHINGTON, DC (April 19, 1999)--The USDA Grain Inspection, Packers and Stockyards Administration will expand use of currently approved near-infrared spectroscopy (NIRS) analyzers in the official inspection program to include testing of corn for oil, protein, and starch content as official criteria. The service, which GIPSA has been providing since July 1998 under an interim final rule, will now be provided on a permanent basis, for a fee, upon request. GIPSA also is adopting, by reference, the Corn Refiners Association Method A-20, Starch method as the chemical reference method for determining the starch content in corn.

According to GIPSA administrator James R. Baker, GIPSA is offering this service to meet a market demand for reliable official testing procedures created by anticipated increases in high-oil corn production. "This service," he said, "offers the grain industry a reliable official testing procedure to use in negotiating price, value, and premiums. Offering this service will enhance both the export and domestic marketability of speciality corn."

Use of the NIRS for corn oil, protein, and starch testing will be implemented May 19, 1999.

Technical information: John Giler, GIPSA, (202) 720-0252.

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### News Release

Release No.: 29-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Issues Moisture Meter Calibrations for Wheat and Small Grains**

WASHINGTON, DC (May 1, 1999)-The USDA Grain Inspection, Packers and Stockyards Administration today announced that, effective May 1, 1999, and thereafter, the Grain Analysis Computer Model 2100 (GAC 2100) will be used for barley, corn, oats, Long and Medium Grain rough rice, sorghum, soybeans, oil-type sunflower seed, and wheat inspections.

GIPSA uses the GAC 2100 moisture meter for official measurement of the moisture content of official grains. The Motomco 919, the preceding official meter, will not be used for official moisture determination on the aforementioned grains after April 30, 1999.

On August 1, 1998, the GAC 2100 was implemented for use in the official inspection system for corn, soybeans, and sunflower seeds (oil-type).

According to GIPSA administrator Jim R. Baker, the new moisture meter improves the ease, speed, and reliability of official moisture measurement and allows automated measurements and electronic transmission of results.

Information contact: David Orr, Field Management Division, (202)720-0228.

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### News Release

Release No.: 0224-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **Glickman Names Grain Inspection Advisory Committee Members And Alternates**

WASHINGTON, May 21, 1999--Agriculture Secretary Dan Glickman today announced the appointment of five members and four alternate members to serve on the U.S. Department of Agriculture's Grain Inspection Advisory Committee.

The following appointees will serve 3-year terms ending March XX, 2002.

The new members are: export elevator operators Bennie B. Lackey, Jr., Stuttgart, Ark., and Arvid L. Hawk, Wayzata, Minn.; processor Diane S. Hanekamp, Chicago, III.; producer Bonnie Ileen Fernandez, Woodland, Calif.; and domestic elevator operator Thomas J. Miller, Farnhamville, Iowa.

The new alternate members are: export elevator operator James "Mickey" Cook, Belle Chasse, La.; domestic elevator operator Paul A. Coppin, Hunter, N.D.; scientist Ping Feng, Des Moines, Iowa; producer Mary G. Schuler, Dutton, Mont., and Hubert E. Simonsen, Superior, Nebr.; and Gretchen M. Stewart, Kansas City, Mo.

The Grain Inspection Advisory Committee is comprised of members representing all facets of the grain industry who meet regularly to advise USDA's Grain Inspection, Packers and Stockyards Administration on the establishment of programs and services that meet the needs of its customers.

Media Contact: Dana Stewart (202) 720-5091 Jerry Redding (202) 720-6959



### News Release

Release No.: 35-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Official Designation Activities**

WASHINGTON, D.C. (June 1, 1999): USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) announced the following action on designations to officially inspect and weigh grain in specified areas in Georgia, Illinois, Indiana, Iowa, Michigan, Missouri, Montana, Nebraska, and Oregon.

- GIPSA asked for applicants to provide official services in the Hastings area and Missouri. There were two applicants for the Hastings area. Hastings Grain Inspection, Inc., applied for the entire area currently assigned to them. Kansas Grain Inspection Service, Inc., applied for the western portion of the Hastings area. There were three applicants for the Missouri area. The Missouri Department of Agriculture applied for the entire State. Kansas Grain Inspection Service Inc., applied for the western portion of Missouri. North Dakota Grain Inspection Services, Inc., d.b.a. as Illinois Official Grain Inspection in Illinois, applied for the eastern portion of Missouri. GIPSA is asking for comments in support of or objection to the designation of these applicants by June 30, 1999.
- The Georgia Department of Agriculture and Schneider Inspection Service, Inc., are designated to inspect grain effective August 1, 1999, through June 30, 2002. Central Iowa Grain Inspection Service, Inc., and the Montana Department of Agriculture are designated to inspect grain effective September 1, 1999, through June 30, 2002. Mid- Iowa Grain Inspection, Inc., and the Oregon Department of Agriculture are designated to inspect grain effective October 1, 1999, through June 30, 2002. For official grain inspection and weighing services, contact Georgia at 912-386-3130, Schneider at 219- 992-2306, Central Iowa at 515-266-1101, Montana at 406-452-9561, Mid-Iowa at 319- 363-0239, and Oregon at 541-276-0939.

For further information contact Jim Williams at 202-720-9804 or FAX 202-690-2755.

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### News Release

Release No.: 41-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

GIPSA Issues Moisture Meter Calibrations for Beans, Canola, High-Oil Corn, Rapeseed and Rye

WASHINGTON, DC (June 15, 1999)? The USDA Grain Inspection, Packers and Stockyards Administration today announced that, effective June 15, 1999, and thereafter, the Grain Analysis Computer Model 2100 (GAC 2100) will be used for Black beans, Great Northern beans, Pea (Navy) beans, Pinto beans, canola, high-oil corn, rapeseed, and rye inspections.

GIPSA uses the GAC 2100 moisture meter for official measurement of the moisture content of official grains. The Motomco 919, the preceding official meter, will not be used for official moisture determination on the aforementioned grains after June 14, 1999.

On May 1, 1999, the GAC 2100 was implemented for use in the official inspection system for barley, corn, oats, Long and Medium Grain rough rice, sorghum, soybeans, oil-type sunflower seed, and wheat inspections; and on August 1, 1998, for corn, soybeans, and sunflower seeds (oil-type).

According to GIPSA administrator Jim R. Baker, the new moisture meter improves the ease, speed, and reliability of official moisture measurement and allows automated measurements and electronic transmission of results.

Information contact: David Orr, Field Management Division, 202-720-0228.

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# News Release

Release No.: 46-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Issues Updated Hard Red Spring Wheat Protein Calibration**

WASHINGTON, DC (July 29, 1999) -- The USDA Grain Inspection, Packers and Stockyards Administration today issued an updated Hard Red Spring wheat protein calibration for official near-infrared transmittance (NIRT) instruments. The new calibration will be effective July 31, 1999.

FGIS performs annual reviews of wheat protein calibrations to measure the performance of NIRT instruments compared to the standard reference method, Combustion Nitrogen Analyzer. This change is will more closely align official HRS wheat NIRT protein results with the standard reference method and is expected to improve the accuracy of official protein measurements for HRS wheat.

The existing HRS wheat protein calibration was developed in 1993 and included samples from the 1988 to 1993 crop years. The new calibration includes all the samples from the existing calibration as well as samples from the 1994 to 1998 crop years to better reflect current HRS varieties and growing conditions. The calibration improves agreement with the reference method across the full range of protein.

According to GIPSA administrator James R. Baker, periodic calibration updates and adjustments provide the grain industry with the best possible information from which to determine endproduct yield and quality of grain.

Information contact: David Orr, Field Management Division, 202-720-0228.

Dana Stewart (202) 720-5091 dstewart@fgis.usda.gov



### News Release

Release No.: 51-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **USDA Seeks Members For Grain Inspection Advisory Committee**

WASHINGTON (August 23, 1999) -- The USDA Grain Inspection, Packers and Stockyards Administration is seeking nominations for individuals to serve on the Grain Inspection Advisory Committee. Nominations are being sought for 5 members and 3 alternates, all of whom will begin serving their 3-year terms in March 2000.

The Committee is comprised of 15 members, appointed by the Secretary of Agriculture, who represent all facets of the grain industry. The Committee meets twice annually to advise GIPSA on the establishment of programs and services under the U.S. Grain Standards Act that meet the needs of the Agency's customers. Committee members will address new challenges facing the Agency resulting from changes in the grain industry. For instance, biotechnology is reshaping many aspects of official grain inspection; input from the industry on this issue is critical. Members of the Committee serve without compensation; they are reimbursed for travel expenses.

Nominations are open to all individuals without regard to race, color, religion, sex, national origin, age, mental or physical handicap, marital status, or sexual orientation.

Persons interested in serving on the Advisory Committee, or in nominating individuals to serve, should contact GIPSA, by telephone (202-720-0219), fax (202-205-9237), or e-mail (mplaus@gipsadc.usda.gov) and request Nomination Form AD-755. Completed nomination forms must be submitted to GIPSA by fax or in hard copy to: GIPSA, 1400 Independence Ave., SW, Stop 3601, Washington, DC 20250-3601. Form AD-755 must be received not later than October 22, 1999.

A notice to solicit nominees was published in today's Federal Register.

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### News Release

Release No.: 49-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Official Designation Activities**

WASHINGTON, D.C. (September 1, 1999) - USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) announced the following action on designations to officially inspect grain in specified areas in Iowa, Illinois, Missouri, Nebraska, North Dakota, South Dakota, and South Carolina.

Hastings Grain Inspection, Inc., Aberdeen Grain Inspection, Inc., Missouri Department of Agriculture, Decatur Grain Inspection, Inc., Grand Forks Grain Inspection Department, Inc., John R. McCrea Agency, Inc., and South Carolina Department of Agriculture are designated to officially inspect grain through the latter part of 1999. GIPSA will grant new designations effective November 1, 1999, for Hastings; December 1, 1999, for Aberdeen and Missouri; and January 1, 2000, for Decatur, Grand Forks, McCrea, and South Carolina.

For official inspection services contact Hastings at 402-462-4254, Aberdeen at 605-225-8432, Missouri at 573/-751-5515, Decatur at 217-429-2466, Grand Forks at 701-772-0151, McCrea at 319-242-2073, and South Carolina at 843-554-1311.

For further information contact Jim Williams at 202-720-9804 or FAX 202-690-2755.

Dana Stewart (202) 720-5091 dstewart@fgis.usda.gov



# News Release

Release No.: 52-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **USDA Grain Inspection Advisory Committee To Meet**

WASHINGTON, DC (September 24, 1999) -- The USDA Grain Inspection, Packers and Stockyards Administration's Grain Inspection Advisory Committee will meet October 21-22, 1999, in New Orleans, LA.

The meeting will be held at the Omni Royal Orleans Hotel from 8-11:30 a.m. each day. Topics to be addressed include GIPSA's financial status, fee proposals, reauthorization, biotechnology, deoxynivalenol testing in barley, feed wheat, and wheat cleanliness.

The Grain Inspection Advisory Committee provides advice to the GIPSA administrator on the delivery of grain inspection and weighing services to American agriculture under the U.S. Grain Standards Act.

The meeting will be open to the public. Public participation will be limited to written statements, unless permission is received from the Committee chairman to orally address the Committee. Persons other than members who wish to address the Committee or submit written statements before or after the meeting, should contact:

Administrator
GIPSA, U.S. Department of Agriculture
1400 Independence Avenue, SW, STOP 3601
Washington, D.C. 20250-3601
telephone (202) 720-0219

or

FAX (202) 205-9237 Information contact: Marianne Plaus, 202-690-3460.

Dana Stewart (202) 720-5091 dstewart@gipsadc.usda.gov



### News Release

Release No.: 53-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **GIPSA Official Designation Activities**

WASHINGTON, D.C. (October 1, 1999) - USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) announced the following action on designations to officially inspect and weigh grain in specified areas in Arkansas, Iowa, Nebraska, North Dakota, South Dakota, Tennessee, and Texas.

- The Lincoln Inspection Service, Inc., Memphis Grain Inspection Service, and Omaha Grain Inspection Service, Inc., are designated to officially inspect grain through April 30, 2000. GIPSA will grant new designations effective May 1, 2000. Grain Inspection, Inc., Sioux City Inspection and Weighing Service Company, and A. V. Tischer and Son, Inc., are designated to officially inspect grain through June 30, 2000. GIPSA will grant new designations effective July 1, 2000. Any interested party, including the Lincoln, Memphis, Omaha, Grain Inspection, Sioux City, and Tischer agencies, may apply for the new designation. GIPSA also is seeking comments on the services provided by these currently designated agencies. Applications and comments are due by October 30, 1999.
- The California Department of Food and Agriculture is designated to provide official service in the Los Angeles area. California was the sole applicant for the area formerly served by Los Angeles Grain Inspection Service, Inc. California is designated to provide official services effective October 1, 1999, and ending January 31, 2000, concurrent with the end of California's present designation. For official grain inspection and weighing services, contact California at 916-654-0743.

For further information contact Virginia Roseberry, 202-720-9803, or FAX 202-690-2755.

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### News Release

Release No.: 58-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### GIPSA To Establish Reference Laboratory For Genetically Modified Grains And Oilseeds

WASHINGTON, Nov. 12, 1999 -- The United States Department of Agriculture (USDA) is establishing a reference laboratory to evaluate and verify the validity of analytical procedures used to detect and quantify genetically modified (GM) traits in grains and oilseeds. The lab, to be housed at the Grain Inspection, Packers and Stockyards Administration's (GIPSA's) Technical Center in Kansas City, MO, is scheduled to open in time for the 2000 crop year.

The lab also will establish sampling procedures to be used in testing GM grains and oilseeds. These standardized sampling and testing methods will be implemented through GIPSA's inspection program.

GIPSA Administrator James R. Baker stated that USDA will provide these services "to meet a market need to ensure reliability of genetically enhanced crop detection methods and to increase overall market efficiency. This is," he added, "in keeping with GIPSA's mission to facilitate the marketing of grain and oilseeds for the benefit of U.S. agriculture."

The introduction of GM grains and oilseeds is affecting the movement of grains and oilseeds in both domestic and export markets. Some food manufacturers and retailers are requesting non-GM ingredients and products, particularly corn and soybeans, in response to consumer demand. This trend has accelerated a need to further segregate the marketing of grains and oilseeds, which has, in turn, created a demand for reliable and accurate analytical techniques to differentiate non- GM from GM product.

For further information, contact Steven N. Tanner, Director, GIPSA Technical Services Division, at steven.n.tanner@usda.gov or via phone at 816-891-0401.

Dana Stewart (202) 720-5091 dstewart@gipsadc.usda.gov



### News Release

Release No.: 02-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA To Meet With Producers On Hog Procurement Practices**

WASHINGTON, Jan. 15, 1999 -- U.S. Department of Agriculture officials will host a series of meetings with hog producers to discuss the department's recent hog procurement investigation, its potential implications for producers, and changes in USDA's market news reports.

USDA is taking this information directly to producers in January and February, when a series of meetings will be held in hog-producing regions, said Michael V. Dunn, under secretary for marketing and regulatory programs. USDA's Grain Inspection, Packers and Stockyards Administration is hosting meetings for producers and other interested parties at Southwest University in Marshall, Minn., on Jan. 25, Buena Vista University in Storm Lake, Iowa, on Jan. 26, and at North Iowa Area Community College in Mason City, Iowa, on Jan. 27. The meetings will begin at 9 a.m. Representatives of USDA's Farm Service Agency and Rural Business- Cooperative Services also will participate in the meetings to discuss restructuring credit programs, direct payments, and alternative marketing opportunities for hog producers.

The findings of the hog procurement investigation by GIPSA were announced October 8, 1998. "However," said Dunn, "we want to ensure that producers--particularly smaller ones-are fully aware of these findings, and we want to make sure they have the best available information in order to maximize their returns."

The scheduled meetings are part of USDA's ongoing efforts to address price and competition concerns in the livestock industry. Among other recent actions, Vice President Al Gore last week announced that hard-hit hog producers will get in direct payments \$50 million to compensate for a plunge in prices that has already driven some producers out of business. He also announced that the government will transfer \$80 million to USDA's voluntary hog pseudorabies eradication program. The money is earmarked to compensate hog producers with infected hogs and could remove approximately 1.7 million hogs from the market.

continued

In other actions over the past year, GIPSA has opened a new office in Des Moines, Iowa, to focus on major pork industry issues. The office is adding economic, statistical, and legal expertise to the current investigative staff.

For further information on the meetings and on GIPSA's hog procurement investigation, contact Jay A. Johnson at (515) 323-2579, email Jay\_A.Johnson@usda.gov.

For information regarding AMS' market news reporting for hogs, contact John Van Dyke at (202) 720-6231, email John\_E\_Vandyke@usda.gov.

Dana Stewart (202) 720-5091 dstewart@gipsadc.usda.gov Jerry Redding (202) 720-6959 jredding@usda.gov



# News Release

Release No.: 03-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA To Meet With Iowa Producers On Hog Procurement Practices**

WASHINGTON, (Jan. 22, 1999) -- U.S. Department of Agriculture officials will host a meeting in Indianola, Iowa, with hog producers to discuss the department's recent hog procurement investigation, its potential implications for producers, and changes in USDA's market news reports.

"We at USDA want to ensure that producers--particularly smaller ones--are fully aware of the findings of this investigation and we want to make sure producers have the best available information in order to maximize their returns," said Michael V. Dunn, under secretary for marketing and regulatory programs.

USDA's Grain Inspection, Packers and Stockyards Administration is hosting the meeting for hog producers and other interested parties at Simpson College in Indianola, Iowa, on Feb. 3. The meeting will begin at 9 a.m. and is open to the public. Representatives of USDA's Farm Service Agency and Rural Business-Cooperative Services also will participate in the meeting to discuss restructuring credit programs, direct payments, and alternative marketing opportunities for hog producers.

The findings of the hog procurement investigation were announced October 8, 1998, and are available at GIPSA's website: www.gipsa.usda.gov. The scheduled meetings are part of USDA's ongoing efforts to address price and competition concerns in the livestock industry. Among other recent actions, Vice President Al Gore announced that hard-hit hog producers will receive direct payments totaling \$50 million to compensate for a plunge in prices that has already driven some producers out of business. He also announced that the government will transfer \$80 million to USDA's voluntary hog pseudorabies eradication program. The money is earmarked to compensate hog producers with infected hogs and could remove approximately 1.7 million hogs from the market.

continued

For further information on the meeting and on GIPSA's hog procurement investigation, contact Jay A. Johnson at (515) 323-2579, email Jay\_A.Johnson@usda.gov.

For information regarding AMS' market news reporting for hogs, contact John Van Dyke at (202) 720-6231, email John\_E\_Vandyke@usda.gov.

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### News Release

Release No.: 04-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA To Meet With Illinois Producers On Hog Procurement Practices**

WASHINGTON, (Jan. 22, 1999) -- U.S. Department of Agriculture officials will host a meeting in Galesburg, Ill., with hog producers to discuss the department's recent hog procurement investigation, its potential implications for producers, and changes in USDA's market news reports.

"We at USDA want to ensure that hog producers--particularly smaller ones--are fully aware of the findings of this investigation and we want to make sure producers have the best available information in order to maximize their returns," said Michael V. Dunn, under secretary for marketing and regulatory programs.

USDA's Grain Inspection, Packers and Stockyards Administration is hosting the meeting for hog producers and other interested parties at Carl Sandberg College in Galesburg, Ill., on Feb. 4. The meeting will begin at 9 a.m. and is open to the public. Representatives of USDA's Farm Service Agency and Rural Business-Cooperative Services also will participate in the meeting to discuss restructuring credit programs, direct payments, and alternative marketing opportunities for hog producers.

The findings of the hog procurement investigation were announced October 8, 1998, and are available at GIPSA's website: www.gipsa.usda.gov. The scheduled meetings are part of USDA's ongoing efforts to address price and competition concerns in the livestock industry. Among other recent actions, Vice President Al Gore announced that hard-hit hog producers will receive direct payments totaling \$50 million to compensate for a plunge in prices that has already driven some producers out of business.

He also announced that the government will transfer \$80 million to USDA s voluntary hog pseudorabies eradication program. The money is earmarked to compensate hog producers with infected hogs and could remove approximately 1.7 million hogs from the market.

continued

For further information on the meeting and on GIPSA's hog procurement investigation, contact Jay A. Johnson at (515) 323-2579, email Jay\_A.Johnson@usda.gov.

For information regarding AMS' market news reporting for hogs, contact John Van Dyke at (202) 720-6231, email John\_E\_Vandyke@usda.gov.

Dana Stewart (202) 720-5091 dstewart@gipsadc.usda.gov



### News Release

Release No.: 03-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA to Meet with Ohio Producers on Hog Procurement Practices**

WASHINGTON, (February 8, 1999) -- U.S. Department of Agriculture officials will host a meeting in Archbold, OH, with hog producers to discuss the department's recent hog procurement investigation, its potential implications for producers, and changes in USDA's market news reports.

"We at USDA want to ensure that hog producers--particularly smaller ones--are fully aware of the findings of this investigation and we want to make sure producers have the best available information in order to maximize their returns," said Michael V. Dunn, under secretary for marketing and regulatory programs.

USDA's Grain Inspection, Packers and Stockyards Administration is hosting the meeting for hog producers and other interested parties at Sauder's Heritage Inn in Archbold, OH, on Feb. 17. The meeting will begin at 10 a.m. and is open to the public. Representatives of USDA's Farm Service Agency and Rural Business-Cooperative Services also will participate in the meeting to discuss restructuring credit programs, direct payments, and alternative marketing opportunities for hog producers.

The findings of the hog procurement investigation were announced October 8, 1998, and are available at GIPSA's website: www.gipsa.usda.gov.

The scheduled meetings are part of USDA's ongoing efforts to address price and competition concerns in the livestock industry. Among other recent actions, Vice President Al Gore announced that hard-hit hog producers will receive direct payments totaling \$50 million to compensate for a plunge in prices that has already driven some producers out of business. He also announced that the government will transfer \$80 million to USDA's voluntary hog pseudorabies eradication program. The money is earmarked to compensate hog producers with infected hogs and could remove approximately 1.7 million hogs from the market.

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For further information on the meeting and on GIPSA's hog procurement investigation, contact Jay A. Johnson at (515) 323-2579, email Jay\_A.Johnson@usda.gov.

For information regarding AMS' market news reporting for hogs, contact John Van Dyke at (202) 720-6231, email John\_E\_Vandyke@usda.gov.

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### News Release

Release No.: 11-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA Announces Peer Review of a Major Cattle Investigation**

WASHINGTON, Feb. 16, 1999--The U.S. Department of Agriculture has begun a peer review of its investigation of fed-cattle procurement in the Texas Panhandle.

USDA has been engaged in ongoing dialogue with interested industry groups on issues raised in a petition submitted by the Western Organization of Resource Councils (WORC) to restrict certain livestock procurement practices regarding forward-contracted and packer-fed cattle.

"As a result of that dialogue, and because it's our responsibility to address concerns about concentration issues, USDA will conduct outside professional peer reviews of some of the Grain Inspection, Packers and Stockyards Administration's major investigations of competitive behavior in the industry," said Michael V. Dunn, under secretary for marketing and regulatory programs. "Secretary Glickman has made it clear that concentration issues in agriculture must be addressed head-on and that America's small farmers must be given an equal opportunity to compete in the marketplace."

The objective of the peer reviews is to evaluate whether GIPSA has asked the right questions, collected the right data, and conducted sound analyses using appropriate models. The goal is to improve and enhance (1) procedures for conducting investigations of competitive practices in slaughter livestock procurement and poultry markets, (2) procedures for internal quality control to use in future investigations of competitive issues, and (3) development of staff who work on competition investigations.

Technical and legal experts in universities and other organizations throughout the United States have already begun reviewing GIPSA's Texas fed-cattle investigation.

continued

The reviewers are: Ronald S. Fecso, Chief Statistician, Division of Science Resource Studies, National Science Foundation; Dr. H. Alan Love, Associate Professor, Department of Agricultural Economics, Texas A&M University; Dr. Michael Wohlgenant, Professor, Department of Agricultural and Resource Economics, North Carolina State University; Dr. Valerie Y. Suslow, Associate Professor of Business Economics, University of Michigan Business School; Dr. Richard J. Sexton, Professor, Department of Agricultural Economics, University of California-Davis; Dr. DeeVon Bailey, Professor, Department of Economics, Utah State University; and Dayton Lehman, Deputy Assistant General Counsel, Office of Aviation Enforcement and Proceedings, Department of Transportation.

Reviewers will provide independent assessments of their findings and recommendations rather than developing a consensus report. They plan to complete their reviews in about 2 months.

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### News Release

Release No.: 17-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA** to Meet with Indiana Producers on Hog Procurement Practices

WASHINGTON, (March 15, 1999) -- U.S. Department of Agriculture officials will host a meeting in Scottsburg, IN, with hog producers to discuss the Department=s recent hog procurement investigation, its potential implications for producers, and changes in USDA=s market new reports.

We at USDA want to ensure that hog producers--particularly smaller ones--are fully aware of the findings of this investigation and we want to make sure producers have the best available information in order to maximize their returns, said Michael V. Dunn, under secretary for marketing and regulatory programs. USDA's Grain Inspection, Packers and Stockyards Administration is hosting the meeting for hog producers and other interested parties at Scottsburg City Hall, Scottsburg, Indiana, on March 29. The meeting will begin at 12:15 p.m. and is open to the public. Representatives of USDA's Farm Service Agency and Rural Business-Cooperative Services will participate in the meeting to discuss restructuring credit programs, and alternative marketing opportunities for hog producers. Representatives of the Animal and Plant Health Inspection Service will be present to answer questions about USDA's voluntary hog pseudorabies eradication program. Grain Inspection, Packers and Stockyards officials and representatives of the Agriculture Marketing Service will discuss recent investigations and the new livestock market reports. The scheduled meeting is part of USDA's ongoing efforts to address price and competition concerns in the livestock industry. The findings of the hog procurement investigation were announced October 8, 1998, and are available at GIPSA's website: www.gipsa.usda.gov. For further information on the meeting and on GIPSA's hog procurement investigation, contact Jay A. Johnson at (515) 323-2579, email Jay\_A.Johnson@usda.gov. For information regarding AMS= market news reporting for hogs, contact John Van Dyke at (202) 720-6231, email John\_E \_Vandyke@usda.gov.

> Dana Stewart (202) 720-509 dstewart@gipsadc.usda.gov Jerry Redding (202) 720-6959 Jredding@usda.gov



### News Release

Release No.: 21-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **GIPSA Proposes Amending Feed Weighing Requirements**

WASHINGTON, April 1, 1999--The USDA Grain Inspection, Packers and Stockyards Administration today proposed amending regulations under the Packers and Stockyards Act regarding the weighing of feed.

GIPSA continues to receive complaints from contract growers that integrators use their dominant positions to impose unfair or unjustly discriminatory terms or conditions on contract growers. GIPSA published an Advance Notice of Proposed Rulemaking in the Federal Register to solicit input on the need for regulations to protect growers. This regulation is a result of that process. Specifically, GIPSA is proposing to include requirements regarding the weighing of feed whenever the weight of feed is a factor in determining payment or settlement to a livestock grower or poultry grower when that livestock or poultry is produced under a contract growing arrangement.

The current regulations do not contain requirements regarding the weighing of feed although, in some circumstances, feed weight affects payment or settlement to livestock growers and poultry growers.

Under Secretary for Marketing and Regulatory Programs Michael V. Dunn said, "This regulation represents another step by USDA to protect small, independent family farms throughout the nation. Secretary Glickman and I are committed to taking all available actions to maintain the integrity of America's independent farmers."

According to GIPSA Administrator Jim Baker, the proposed amendment to the regulations would give livestock growers and poultry growers a measure of assurance that feed is accurately weighed or reasonably determined, and that feed weight is properly documented whenever that weight affects payment or settlement to growers.

continued

Public comments on the proposal must be received by GIPSA on or before June 3, 1999.

The proposal will be published in the April 2 Federal Register.

Technical information contact: Michael Caughlin, Director, Office of Policy/Litigation Support, (202) 720-6951.

Correction: The comment period for this proposal closes June 1, 1999.

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### News Release

Release No.: 015399

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA Charges Excel Corporation Violated Packers And Stockyards Act**

WASHINGTON, DC, April 9, 1999-- Agriculture Secretary Dan Glickman announced today that USDA has filed a complaint against Excel Corporation alleging that the company underpaid more than 1250 farmers by about \$1.8 million in violation of the Packers and Stockyards Act. "To remain competitive and to survive, America's small- and medium-size producers need a level playing field," said Glickman. "Today's action demonstrates how seriously we at USDA take our responsibility for ensuring that level playing field. We simply will not tolerate unfair and deceptive trade practices."

The complaint, brought by USDA's Grain Inspection, Packers and Stockyards Administration, alleges that Excel failed to notify hog producers that it changed the method of calculating lean percent of hogs. Excel uses lean percent to compute the purchase price it pays farmers for hogs that it buys on a carcass merit basis.

According to the complaint, as a result of the undisclosed formula change, Excel paid lower prices for more than 19,900 lots of hogs that it purchased on a carcass merit basis. The complaint stems from a routine compliance investigation into Excel's hog purchases during late 1997 and early 1998. That investigation revealed violations of the Packers and Stockyards Act, a fair trade practice and payment protection law.

The complaint was filed with the office of USDA's hearing clerk. Excel, a subsidiary of Cargill, Inc., will have an opportunity to respond to the complaint and request an oral hearing.

Glickman said USDA has become increasingly concerned about ensuring the integrity and competitiveness of livestock markets -- and the need to protect smaller producers from unfair trade practices. He has restructured GIPSA's Packers and Stockyards Program, strengthening its economic and legal expertise to enhance USDA's ability to monitor and investigate livestock transactions.

continued

GIPSA runs a toll-free hotline for complaints about unfair trade practices and possible violations of the Packers and Stockyards Act. The hotline number is 1-800-998-3447.

Andy Solomon (202) 720-4623 andy.solomon@usda.gov



### News Release

Release No.: 40-99

Contact: Terry Henry, 202-205-8281 Terri.L.Henry@usda.gov

#### **GIPSA Official Designation Activities**

WASHINGTON, D.C. (July 1, 1999) -- USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) announced the following action on designations to officially inspect and weigh grain in specified areas in Alabama, California, Illinois, and Washington.

The California Department of Food and Agriculture, Kankakee Grain Inspection, Inc., and the Washington Department of Agriculture are designated to officially inspect and weigh grain through January 2000. GIPSA will grant new designations effective February 1, 2000. The Alabama Department of Agriculture and Industries and Springfield Grain Inspection, Inc., are designated to officially inspect and weigh grain through February 2000. GIPSA will grant new designations effective March 1, 2000. Any interested party, including the Alabama, California, Kankakee, Springfield, and Washington agencies, may apply for the new designation.

GIPSA is also asking for comments on the services provided by these currently designated agencies. Applications and comments are due by July 30, 1999.

For further information contact Jim Williams at 202-720-9804 or FAX 202-690-2755.

Dana Stewart (202) 720-5091 dstewart@fgis.usda.gov



### News Release

Release No.: 7b-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA** Responds To South Dakota Producers' Concerns

WASHINGTON, July 16, 1999 -- Rapid response teams from the U.S. Department of Agriculture will be in South Dakota next week to respond to growing concerns of cattle and hog producers that packers allegedly are violating the federal Packers and Stockyards Act since enactment of South Dakota's new mandatory livestock price reporting law on July 1.

The teams, dispatched by Under Secretary for Marketing and Regulatory Programs Michael V. Dunn, are designed to deal with high priority investigations that require expeditious examination and analysis to prevent or minimize major competitive or financial harm caused by ongoing violations of the P & S Act.

"Any indication that South Dakota producers are being treated illegally will be promptly and vigorously investigated," said Dunn. "We've received a lot of calls since July 1 regarding this issue. These teams will be out there, on the ground, talking to producers, to help us determine if violations of the Packers and Stockyards Act have taken place."

"The Grain Inspection, Packers and Stockyards Administration's is responsible for enforcing the Act," said James R. Baker, administrator of GIPSA. "We will use all resources available to respond to the concerns of producers. If we uncover any evidence that South Dakota sellers are being boycotted, we will investigate immediately and throughly."

GIPSA's rapid response teams will be in Sioux Falls, Brookings, and Mitchell and to talk with producers on an individual basis July 20 to 23. Cattle and hog producers can meet with USDA officials at the Radisson Encore Inn in Sioux Falls, July 20 and 21. Hog producers can meet with USDA officials at the Holiday Inn in Mitchell, July 22. Cattle producers can meet with USDA officials July 22 and 23 at the Holiday Inn in Brookings. Officials will be available from 8:00 a.m. to 5:00 p.m.

continued

Producers who have complaints are encouraged to meet privately with the government officials and are encouraged to bring documentation and any pertinent information along with them to support their allegations. The teams will consist of both Packers and Stockyards officials and attorneys from USDA's Office of General Counsel.

Cattle producers can call GIPSA's Denver regional office at 303 375-4240 f or more information.

Hog producers can call GIPSA's Des Moines regional office at 515 323-2579 for additional information.

John Stencel (202) 720-7051



# News Release

Release No.: Farmland 7

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

### GIPSA Charges Farmland National Beef Packing Company, L.P. Violated Packers And Stockyards Act

WASHINGTON, July 21, 1999 -- USDA's Grain Inspection, Packers and Stockyards Administration has filed a complaint against Farmland National Beef Packing Company, L.P., Liberal, Kansas, alleging that the company violated the Packers and Stockyards Act.

The complaint alleges that Farmland changed its bidding and buying practices at Callicrate Cattle Company Feedyard, St. Francis, Kansas. The complaint says Farmland failed to make bids on or purchase cattle from Callicrate Feedyard after an article critical of Farmland written by Callicrate Feedyard's sales manager was published in a livestock journal. The complaint further alleges that by failing to make bids on or purchase cattle from Callicrate Feedyard, Farmland engaged in an unfair and possibly unjustly discriminatory practice and subjected Callicrate Feedyard to an undue or unreasonable prejudice or disadvantage.

"The filing of this complaint is indicative of USDA's commitment to monitor livestock markets and insure competitive transactions for producers," said Michael V. Dunn, under secretary for marketing and regulatory programs.

According to the complaint, Farmland failed to make bids on or purchase cattle from Callicrate Feedyard, while routinely making bids on and purchasing cattle from other similarly situated feedyards located in the same geographic area as Callicrate Feedyard. The complaint states that Farmland failed to make bids on or purchase any cattle from Callicrate Feedyard for the sale weeks beginning December 21, 1998, through June 21, 1999, with the exception of the sale weeks of March 8, 1999, through March 22, 1999.

"Our job is to enforce the Packers and Stockyards Act," said GIPSA's Administrator James Baker. "This case goes to the heart of the concerns that every small- and medium-sized producer has about possible retaliation, discrimination and denial of market access in the livestock industry."

continued

The complaint was filed with the office of USDA's hearing clerk. Farmland will have an opportunity to respond to the complaint and request an oral hearing before an administrative law judge.

GIPSA continues to conduct investigations into possible discriminatory activities or other noncompetitive practices. The agency's Packers and Stockyards program recently was restructured to enhance USDA's ability to monitor and investigate livestock transactions. GIPSA has a toll-free hotline for complaints about unfair trade practices and possible violations of the Packers and Stockyards Act. The hotline number is 1-800-998-3447.

CONTACT: Warren Preston (202) 690-3196



# News Release

Release No.: 42-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **GIPSA Releases Packers And Stockyards 1997 Statistical Report**

Washington, DC (July 28, 1999) -- The USDA Grain Inspection, Packers and Stockyards Administration today released its Packers and Stockyards Statistical Report for 1997.

Published annually, this report on livestock marketing and meat packing contains data on industry concentration, plant size, volume of packer feeding, packer financial performance, number of animals purchased by source of supply (public market versus direct), and method of procurement (live versus carcass basis). It includes data on slaughtering packers; market agencies buying or selling livestock on commission, including auction markets and selling agencies at terminal stockyards; and livestock dealers buying and selling livestock for their own accounts. It includes data for firms' 1997 reporting year and selected data for earlier years.

All slaughtering packers operating in commerce in the United States have been subject to the annual reporting requirements of the Packers and Stockyards Act. Data contained in this report are derived from the annual reports submitted by all except small volume packers.

"This report," said GIPSA administrator James R. Baker, "is a gold mine of useful data. It paints a clear and revealing picture of major structural changes that are taking place in the livestock and meatpacking industries."

The report is available in its entirety on GIPSA's website at: www.gipsa.usda.gov.

For further information or to request hard copies of the report, contact: Gerald Grinnell, director, GIPSA Economic and Statistical Support Staff, 202-720-7455; FAX 202-690-1266; or email to ggrinnell@usda.gov.

Dana Stewart (202)720-5091 dstewart@fgis.usda.gov



# News Release

Release No.: 50-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA** Responds To Missouri Producers' Concerns

WASHINGTON, Aug. 26, 1999 -- Rapid response teams from the U.S. Department of Agriculture will be in Missouri to respond to livestock producers' concerns that packers may violate the Federal Packers and Stockyards Act when Missouri's new mandatory livestock price reporting law is enacted on August 28.

The teams, which are being dispatched by Under Secretary for Marketing and Regulatory Programs Michael V. Dunn, are designed to deal with high priority investigations that require fast action to prevent or minimize major competitive or financial harm caused by violations of the Act.

"Any indication that Missouri producers are being treated illegally will be promptly and vigorously investigated," said Dunn. "Our teams will be out there, on the ground, talking to producers, to help us determine if violations of the Packers and Stockyards Act are taking place."

"USDA's Grain Inspection, Packers and Stockyards Administration is responsible for enforcing the Act," said James R. Baker, administrator of GIPSA. "We will use all resources available to respond to the concerns of producers. If we uncover any evidence that Missouri sellers are being boycotted, we will investigate immediately and thoroughly."

GIPSA's rapid response teams will be in Kirksville, Marshall, Maryville, and Mexico, Mo., to talk with producers on an individual basis. Producers can meet with USDA officials on September 8 at the Super 8 in Marshall and the Best Western in Mexico; and on September 9 at the Microtel Inn in Maryville and the Best Western Shamrock Inn in Kirksville. Officials will be available from 8 a.m. to 4 p.m.

continued

Producers who have complaints are encouraged to meet privately with these government officials, and to bring documentation and any pertinent information along with them to support their allegations.

For more information, call GIPSA's Des Moines regional office at (515) 323-2579.

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# News Release

Release No.: 57-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

### GIPSA Enters Cooperative Agreements For Research On Competition Issues In Livestock And Poultry

Washington, DC (November 12, 1999) -- The USDA Grain Inspection, Packers and Stockyards Administration recently entered into five cooperative agreements with university researchers to perform research on competition issues in livestock and poultry.

The cooperative research projects are using new analytical methods or addressing issues that have the potential to strengthen future enforcement actions and contribute to GIPSA's understanding of competitive implications of structural changes in the livestock, meatpacking and poultry industries. GIPSA initiated the following cooperative agreements:

- "A New Direction for Assessing Market Power in the Beef Packing Industry," conducted by Lynn Hunnicutt, DeeVon Bailey, and Quinn Weninger, Department of Economics, Utah State University. This project will assess possible use of market power by beef packers using a non-traditional model based on such factors as plant throughput utilization rates and examine data collected by GIPSA for a recent investigation of fedcattle procurement in the Texas Panhandle. The project is scheduled for completion in October 2001.
- "An Analysis of the Effects of Captive Supply in Fed Cattle Marketing in the Texas Panhandle," conducted by David Bessler, Department of Agricultural Economics, Texas Agricultural Experiment Station (Texas A&M University). This project will follow up on analyses conducted by economists at the University of Nebraska and Iowa State University as part of GIPSA's recent Texas Panhandle fed-cattle investigation. It will examine whether use of existing inventories of cattle that are committed to packers through forward sales agreements (commonly referred to as captive supplies) before the animals are ready for slaughter resulted in lower spot market prices during the February 1995-May 1996 period covered by the Texas investigation. The new study will use a different methodology, directed graphs, which is an analytical tool that has not previously been used for this purpose. The project also will assess whether this new analytical tool may be used to evaluate whether captive supplies of beef cattle have a long-run effect on spot market prices. The project is scheduled for completion in June 2000.

continued

- "Economic Effects of Regulating Broiler Contracts," conducted by Tomislav Vukina, Department of Agricultural and Resource Economics, North Carolina Agricultural Research Service (North Carolina State University). This project will examine the economic effects on contract growers and integrators of alternative compensation methods (rather than basing payment on a grower's performance relative to other growers' performance); the distribution between growers and integrators of business risks associated with different layout times between flocks; and the effects of different asset requirements imposed on growers. This project is scheduled to be completed in September 2001.
- The Market for Poultry Grower Services: Dimensions and Market Power Exertion," conducted by Victoria Salin and Alan Love, Department of Agricultural Economics, Texas Agricultural Experiment Station (Texas A&M University). This project will begin to examine relevant markets for broiler grower services and test for possible use of market power in the procurement of such services. The study will attempt to determine if and how competition by competing integrators influences the terms of contracts offered by an integrator in a given market area. The project is scheduled for completion in September 2001.
- "Competitive Bidding in Simulated Auction Markets," conducted by Dale J. Menkhaus and Owen R. Phillips, Department of Agricultural and Applied Economics, University of Wyoming. This project will examine possible collusive behavior in auction markets. The study will provide information about bidding behavior in a controlled setting in order to gain insights about expected behavior in actual markets. The project is scheduled for completion in September 2000. "Taken together," said Michael V. Dunn, Under Secretary for Marketing and Regulatory Programs, "these research projects will greatly expand our knowledge of the nature of competitive forces in the markets we regulate. We will be able to make better decisions in developing new regulations that will benefit all producers." "These studies will enable GIPSA to refine our investigative focus to target key problem areas," said GIPSA administrator James R. Baker. "The poultry studies will shed light in an area on which we want to focus more effort."

For further information, contact: Gerald Grinnell, Director, GIPSA Economic and Statistical Support Staff, 202-720-7455; FAX 202-690-1266; or email to ggrinnell@usda.gov.

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# News Release

Release No.: 66-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **USDA Assesses Civil Penalty On New Mexico Livestock Auction**

WASHINGTON, DC (December 15, 1999 -- The U.S. Department of Agriculture has ordered Roswell Livestock Auction Sales, Inc. and Larry F. Wooton, Roswell, New Mexico, to stop violating the Packers and Stockyards Act and assessed them, jointly and severally, a \$35,000 civil penalty.

Roswell Livestock Auction Sales, Inc. and Larry F. Wooton were ordered to cease and desist failing to deposit into the custodial account within the prescribed time an amount equal to the proceeds receivable from the sale of consigned livestock. They were also ordered to cease and desist failing to reimburse the custodial account for owners' and officers' purchases in a timely manner.

James Baker, administrator of USDA's Grain Inspection, Packers and Stockyards Administration, said these violations are very serious because Roswell Livestock Auction Sales did not provide payment protection as required under the P&S Act to the consignors of livestock.

The Packers and Stockyards Act is a fair trade practice and payment protection law. It is designed to ensure free and open competition and to prevent unfair and deceptive practices in the marketing of livestock, meat and poultry.

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# News Release

Release No.: 67-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

### Pennsylvania Livestock Dealer Agrees To Comply With Packers And Stockyards Act

WASHINGTON, DC (December 15, 1999) -- The USDA Grain Inspection, Packers and Stockyards Administration today announced that livestock dealers Alma Kolb and Dennis Kolb of Lancaster, Pennsylvania, have agreed to a cease and desist order issued by the U.S. Department of Agriculture.

Under the terms of the consent order, Alma Kolb and Dennis Kolb agreed to cease and desist purchasing livestock while insolvent, issuing insufficient funds checks, failing to pay promptly for livestock purchased as required by the Packers and Stockyards Act. The Kolbs also were ordered to keep and maintain records that correctly disclose all transactions involved their operations subject to the Act.

Dennis Kolb was suspended for 10 years; Alma Kolb was prohibited from registering under the Act for 10 years. The suspension and prohibition will be suspended provided the Kolbs are in compliance with the Act and make restitution on a pro-rata basis beginning on or before April 15, 2001, with future payments to be made on April 15 of each successive year. The minimum amount to be paid is the greatest of 10 percent of Dennis Kolb's business income as reported on his business or personal income tax return.

In agreeing to the penalties, the Kolbs neither admitted nor denied the federal administrative charges filed by USDA under authority of the Act.

The Packers and Stockyards Act is a fair trade practice and payment protection law. It is designed to assure free and open competition and to prevent unfair and deceptive practices in the marketing of livestock, meat and poultry.

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# News Release

Release No.: 65-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

#### **Georgia Livestock Dealer Suspended**

WASHINGTON, DC (December 15, 1999) -- The U. S. Department of Agriculture has suspended E. I. Whitmire, doing business as Calico Livestock Farm, Gainesville, Georgia, and ordered him to cease and desist violating the Packers and Stockyards Act.

Mr. Whitmire was ordered to cease and desist from issuing insufficient funds checks and failing to pay for livestock purchased. Whitmire is suspended as a registrant under the Act for 5 years. However, a supplemental order may be issued terminating the suspension after the expiration of 90 days if Whitmire can show that all of the unpaid livestock sellers have been in full. The order further provides that the order may be modified after 90 days to permit Whitmire's salaried employment by another registrant or a packer.

The Packers and Stockyards Act is a fair trade and payment protection law. It is designed to ensure free and open competition, and to prevent unfair and deceptive practices in the marketing of livestock, meat and poultry and provide financial protection.

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# News Release

Release No.: 64-99

Contact: Catherine M. Grasso, (202) 720-7201 Catherine.M.Grasso@usda.gov

### **Peer Review Of GIPSA Fed Cattle Investigation Complete**

WASHINGTON, Dec. 28, 1999 - USDA's Grain Inspection, Packers and Stockyards Administration today released the peer reviews of the agency's Texas Panhandle fed-cattle investigation.

To strengthen and improve its investigations of potential anti-competitive behavior, GIPSA is conducting outside peer reviews of select major investigations of competitive practices in the meatpacking industry.

The Texas investigation focused on procurement methods and use of non-spot procurement methods from February 1995-May 1996. Non-spot procurement methods (commonly referred to as captive supplies) include forward contracts, marketing agreements, and packer feeding programs. In its investigation, GIPSA collected detailed data on procurement transactions and conducted extensive interviews with feedlot operators to learn about procurement behavior.

GIPSA asked seven distinguished outside authorities to review the Texas Panhandle fed-cattle investigation to evaluate whether GIPSA asked the right questions, collected the right data, and conducted sound analyses using appropriate models. The reviewers were Dr. Michael Wohlgenant, Professor of Agricultural Economics at North Carolina State University; Dr. H. Alan Love, Associate Professor of Agricultural Economics at Texas A&M University; Ronald Fecso, Chief Statistician at the National Science Foundation; Dr. Richard Sexton, Professor of Agricultural Economics at the University of California-Davis; Dr. Valerie Suslow, Associate Professor of Economics at the University of Michigan; Dayton Lehman, Deputy Assistant General Counsel at the U.S. Department of Transportation; and Dr. DeeVon Bailey, Professor of Economics at Utah State University.

continued

The reviewers generally concurred that the scope of the investigation was appropriate, and large amounts of useful data were collected on individual cattle procurement transactions. Several suggestions for improved data collection processes, descriptive data analyses, and model development were offered.

"The Texas Panhandle fed-cattle investigation and subsequent peer review have made important contributions to our understanding of fed cattle procurement," said James R. Baker, administrator of USDA?s Grain Inspection, Packers and Stockyards Administration. "The peer review process will increase the knowledge gained from that investigation, contribute to future analysis of livestock procurement investigations, and enable GIPSA to strengthen its investigative process in general."

Information contact: Martin Johnson, GIPSA, 202-690-3193. The peer reviews and a study completed as part of the investigation are available on GIPSA's web site at: www.gipsa.usda.gov.

Dana Stewart (202) 720-5091 dstewart@gipsadc.usda.gov

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